

Sustainable Palm Oil

Can the palm oil industry become sustainable?

Overview

Palm oil is a vegetable oil produced by crushing the fruit of the palm tree. In 2016, 58.9m tonnes were produced globally (1), with 85% of this from Malaysia and Indonesia (2). Palm oil has many useful properties that make it ideal for cooking, such as the fact that it retains its properties at high temperatures. Furthermore, palm trees have the highest yield of all vegetable oil producing crops on the planet, producing 7 times as much oil as sunflowers seeds (3). Consequently, the oil is used in over half of all supermarket products (2), particularly in bathroom products and foodstuffs. Global demand for palm oil continues to grow at a staggering rate, with demand for palm oil predicted to double by 2050 (4). This has raised questions of whether we can continue to produce enough palm oil to meet the world's needs, without causing irreparable damage to the environment.



Issues

The scale on which palm oil is produced is causing many problems., most of which stem from deforestation. Deforestation for palm oil production contributes significantly to climate change, releasing large quantities of smoke and Carbon Dioxide, helping to make Indonesia the third highest greenhouse gas emitter globally (2). Additionally, deforestation often occurs at the expense of biodiversity and ecosystems. Currently, a third of all mammal species in Indonesia are considered to be critically endangered, primarily due to loss of habitat. It is estimated that 50,000 orangutans have already died as a result of deforestation due to palm oil in the last two decades (2). Furthermore, as rainforests are destroyed, communities are forced into becoming plantation workers. Many struggle to support their families. Communities also become more dependent on volatile global markets, and more susceptible to price crashes.

Certification and Sustainability

The RSPO is a not-for-profit cooperation with members representing all parts of the palm oil supply chain as well as certain NGOs. Established in 2004, the aim is to ensure palm oil production is economically, environmentally and socially sustainable at all stages. The RSPO has eight certification principles which, if met, allow palm oil to be labelled "certified sustainable". These are designed to ensure the environment is preserved, and the interests of local people are taken into account, while the long term growth of the industry is allowed to continue. Changes are slow to implement however, as the views of NGOs and profit-seeking corporate members must be balanced (5). The certification scheme has been the subject of some controversy. Sites for audit visits are chosen by the producer, not the RSPO, meaning it is possible to become RSPO certified without all sites meeting the criteria (6).

Action

It can be difficult to link our actions as individuals with global problems. Many have suggested boycotting all palm oil products as a simple solution. However, this idea has some serious flaws: If demand for palm oil decreased significantly, the market would be flooded with cheap oil, which would inevitably result in lower pay for plantation workers, affecting local communities. In addition, we must account for the positives of the palm oil industry: Because of the high yield of palm trees, using an alternative would mean far greater land areas and more intensive labour would be needed to match current production, leading to even greater deforestation than we see currently (9). Lastly, if everyone who is aware of the issues completely boycotts palm oil, sales of sustainable palm oil will fall even further, meaning there is less incentive for producers to become certified. A more viable solution is to increase demand for sustainable palm oil. However, this is currently very difficult for consumers, as very few companies that are certified print the RSPO label on products, meaning it is near impossible to preferentially buy products with certified oil. Thus we believe change has to come at a governmental level. Legislation needs to come from both consuming nations, to influence demand, and from producing nations like Malaysia and Indonesia, to impose stricter regulations of production nationally. We feel greater thought needs to be given to how international policy can ensure the sustainability of the palm oil industry, preserving SE Asian communities and environments.



Furthermore, RSPO standards are regarded as lenient regarding deforestation and peat land use, which has led some members of RSPO to set up the Palm Oil Innovation Group (POIG) that has the goal of eliminating deforestation. Nevertheless, cases exist where oil palm fruits from illegal cultivations have been found in mills of corporations with RSPO certification, even in those committed to the stronger No-Deforestation standard by the POIG (7). It is also important to note that RSPO certified palm oil only makes up 21% of globally produced palm oil only 56% of palm oil that is produced within the RSPO certification scheme is actually sold. This is due to low demand for sustainable palm oil products. The majority of palm oil used globally is subject to no certification or regulation (8).

References:
(1) <https://bioenergyinternational.com/feedstock/europe-track-achieving-100-sustainable-palm-oil-food-feed-oleochemicals>
(2) www.saynotopalmoil.com/Whats_the_issue.php
(3) <https://www.palmdoneright.com/en/palm-101/>
(4) RSPO (2015). A shared vision - 100% Sustainable Palm Oil in Europe: A Snapshot of National Initiatives. Retrieved from <https://rspo.org/publications/download/a3a33428fd77380>
(5) Nesadurai, H. E. (2013). Food security, the palm oil-land conflict nexus, and sustainability: a governance role for a private multi-stakeholder regime like the RSPO?. *The Pacific Review*, 26(5), 505-529
(6) Hamilton-Hart, N. (2015). Multilevel (mis) governance of palm oil production. *Australian Journal of International Affairs*, 69(2), 164-184.
(7) Nesadurai, H. E. (2018). New Constellations of Social Power: States and Transnational Private Governance of Palm Oil Sustainability in Southeast Asia. *Journal of Contemporary Asia*, 48(2), 204-229.
(8) von Geibler, J. (2013). Market-based governance for sustainability in value chains: conditions for successful standard setting in the palm oil sector. *Journal of Cleaner Production*, 56, 39-53.
(9) rspo.org/about/sustainable-palm-oil